



## Natural Gas Rises as Jobs Report Signals Potential Demand Gain

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By Reg Curren

Nov. 5 (Bloomberg) -- Natural gas futures rose in New York as a jobs report signaled a strengthening U.S. economy and demand for the factory fuel.

Gas gained after a government report showed that the fewest Americans since January filed for unemployment benefits last week. Gas purchases by factories, steel mills and chemical plants fell 12 percent in the first eight months of this year during the worst recession in seven decades.

"We have an improvement in the economic data, which is really what you need, because the industrial sector has been the biggest drag on this market," said [Chris Jarvis](#), president of Caprock Risk Management LLC in Hampton Falls, New Hampshire.

Natural gas for December delivery rose 5.7 cents, or 1.2 percent, to settle at \$4.782 per million British thermal units at 3 p.m. on the New York Mercantile Exchange. Prices ranged between \$4.882 and \$4.676 today. Gas futures have declined 15 percent this year.

Industrial gas use accounted for about 29 percent of U.S. consumption in 2008, according to the department.

Initial jobless claims fell by 20,000 to 512,000 in the week ended Oct. 31, according to the Labor Department. The number of people receiving jobless benefits declined to 5.75 million, the lowest since March.

Gas inventories rose 29 billion cubic feet in the week ended Oct. 30 to 3.788 trillion cubic feet, reaching an all-time high for the sixth straight week, an Energy Department report today showed. The record before this year was 3.545 trillion cubic feet reached on Nov. 2, 2007.

'Brimming Storage'

"It's a stalemate," said [Cameron Horwitz](#), an analyst at SunTrust Robinson Humphrey Inc. in Houston. "We've had some positive economic reports and thus potentially positive demand data points, but at the same time we have brimming storage levels staring you in the face."

**Normal to above-normal temperatures** are predicted for much of the U.S. next week, according to MDA Federal Inc.'s EarthSat Energy Weather of Rockville, Maryland. About 52 percent of U.S. households use gas for heating.

The "wildcard" for natural gas prices at this time is the weather, Horwitz said.

An EarthSat outlook for December and January shows above- normal temperatures for most of the U.S.

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